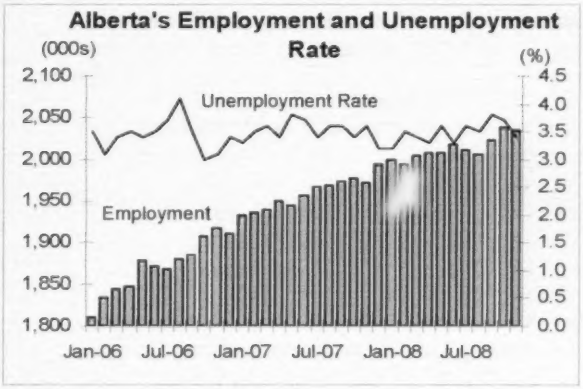
Weekly Economic Review

December 5, 2008

Employment Report

Alberta unemployment rate fell in November…

Alberta lost 3,700 jobs in November as the increase in part-time positions (+5,200) was offset by larger declines in the number of full-time positions (-8,900). Despite the losses, the unemployment rate fell from 3.7% in October to 3.4% in November, the result of 9,900 people leaving the labour force. Growth in Alberta's average hourly wage moderated to 5.0% in November on a year-over-year basis. Employment in Canada fell by 70,600 in November, driven by the 66,000 job losses in Ontario. The unemployment rate inched up 0.1 percentage points to 6.3% as 48,300 people left the labour market.



U.S. lost 533,000 jobs in November…

Labour market conditions in the U.S. worsened in November with 533,000 job loses, the most since December 1974. Downward revisions were also made for the two previous months, bringing the total number of job losses since December 2007 to 1.9 million. The unemployment rate rose to 6.7%, a 15 year high.

Candian Real GDP

Canada posts growth in Q3...

Canadian GDP grew by 1.3% (annualized rate) in the third quarter making Canada one of the few Western economies to post positive growth. Given steep job losses and the slowing global economy, many analysts expect Canada's economy to contract slightly in the near term.

Cdn Dollar (US¢/CS)		
	December 5, 2008	77.11
	November 28, 2008	80.83
	2008-09 YTD	93.70
WTI Oil US$/bbl		
	December 4, 2008	$ 43.67
	November 27, 2008	$ 54.44
	2008-09 YTD	$106.51
Nymex Natural Gas CS/MMBtu *		
December Contract		
	December 5, 2008	$ 7.24
	November 28, 2008	$ 7.82

*Estimate based on Nymex Futures Market Price

Alberta's labour income rose 8.6% in the first nine months of 2008, a moderation from the 11.3% growth in the whole of 2007. Nationally, labour income grew 5.3% year-to-date.

Building Permits

Building permits plunged in November…

In October, the value of building permits in Alberta plunged 17.5% from a month earlier, led by a nearly 30% decline in the non-residential sector. On a year-to-date basis, the total value of building permits have fallen 15.8%, mainly due to the 30.3% decline in the residential sector. The value of non-residential permits, which held up well earlier in the year, is up 3.9% year-to-date. Nationally, the value of building permits fell 15.7% from September.

Financial Markets

Central banks cut rates further...

Given the continued deterioration of the world economy, the European Central Bank (75 basis points), the Bank of England (100 bp), and the People's Bank of China (108 bp) made significant interest rate cuts over the last week. Deteriorating economic conditions have also driven down oil prices and the Canadian dollar sharply. As of noon (EST) Friday, WTI was trading at $41.66, down 23% from last Friday's close. On a positive note, according to the Fraser Institute, Alberta leads the provinces in terms of creating a positive investment climate!